

# 2003 Instructions for Form 541-ES

## Estimated Tax For Fiduciaries

### A Purpose

Use Form 541-ES to figure and pay estimated tax for an estate or trust. Estimated tax is the amount of tax the fiduciary of an estate or trust expects to owe for the year.

### B What's New

California law conforms to the Internal Revenue Code section 6654 (d) as of January 1, 2001 in regards to the amount required to be paid as estimated tax payments. Thus, fiduciaries with 2002 AGI greater than \$150,000 are now required to estimate their tax based on the lesser of 90% (instead of 80%) of their current tax for 2003 or 110% (instead of 112%) of their 2002 tax.

### C Who Must Make Estimated Tax Payments

Generally, a fiduciary of an estate or trust must make 2003 estimated tax payments unless:

- 90% or more of the estate's or trust's 2002 tax was paid by withholding; or
- 90% or more of the estate's or trust's 2003 tax will be paid by withholding.

An estate or trust is not required to make 2003 estimated tax payments if:

- The tax for 2002 (after subtracting withholding and credits) was less than \$200; or
- The tax for 2003 (after subtracting withholding and credits) will be less than \$200.
- It is a decedent's estate for any tax year ending before the date that is two years after the decedent's death; or
- It is a trust that was treated as owned by the decedent and if the trust will receive the residue of the decedent's estate under the will (or if no will is admitted to probate, the trust primarily responsible for paying debts, taxes, and expenses of administration) for any tax year ending before the date that is two years after the decedent's death.

**Limit on the Use of Prior Year's Tax.** Estates and trusts with 2002 AGI greater than \$150,000 must figure estimated tax based on the lesser of 90% of their current tax for 2003 or 110% of the tax for 2002.

If the estate or trust must make estimated tax payments, use the Estimated Tax Worksheet on the following page to figure the amount owed.

Real Estate Mortgage Investment Conduit (REMIC) trusts are not required to make estimated payments.

Tax-exempt trusts and nonexempt charitable trusts described in IRC Section 4947(a)(1) should use Form 100-ES, Corporation Estimated Tax.

### D When to Make Estimated Tax Payments

For estimated tax purposes, the year is divided into four payment periods. Each period has a specific payment due date. If an estate or trust does not pay enough tax by the due date of each of the payment periods, it may be charged a penalty even if it is due a refund when it files its income tax return. The payment periods and due dates are:

#### For the payment period

Jan. 1 through March 31, 2003  
April 1 through May 31, 2003  
June 1 through August 31, 2003  
Sept. 1 through Dec. 31, 2003

#### Due date is:

April 15, 2003  
June 16, 2003  
Sept. 15, 2003  
Jan. 15, 2004

#### Filing an Early Tax Return in Place of the 4th

**Installment.** If an estate or trust files its 2003 tax return by February 2, 2004, and pays the entire balance due, it does not have to make its last estimated tax payment.

**Annualization Option.** If the estate or trust does not receive its taxable income evenly during the year, it may be to its advantage to annualize the income. This method allows matching estimated tax payments to the actual period when income was earned. Use the annualization schedule included with 2002 form FTB 5805, Underpayment of Estimated Tax by Individuals and Fiduciaries.

**Farmers and Fishermen.** If at least 2/3 of gross income for 2002 or 2003 is from farming or fishing, the estate or trust may:

- Pay the total estimated tax by January 15, 2004; or
- File Form 541 for 2003 on or before March 1, 2004 and pay the total tax due. In this case, estimated tax payments are not due for 2003. Attach form FTB 5805F, Underpayment of Estimated Tax by Farmers and Fishermen, to the front of Form 541.

**Fiscal Year.** If the estate or trust files on a fiscal year basis, the due dates will be the 15th day of the 4th, 6th, and 9th months of the fiscal year and the first month of the following fiscal year. If the due date is a Saturday, Sunday, or legal holiday, use the next business day.

### E How to Use Form 541-ES Payment Voucher

Use the Estimated Tax Worksheet and the 2002 Form 541 return as a guide for figuring the 2003 estimated tax payment.

**Note:** There is a separate payment voucher for each due date. Use the voucher with the correct due date. Fill in Form 541-ES:

1. Print the estate's or trust's name, the fiduciary's name and title, mailing address, and the estate's or trust's federal employer identification number (FEIN) in the space provided on Form 541-ES. Use black or blue ink. Print all names and words in CAPITAL LETTERS. If the estate's or trust's name or address is too long to fit in the boxes provided, do not shorten the name or address. Instead, ignore the boxes and fit the information in the space provided.

**Note:** If the fiduciary leases a private mail box (PMB) from a private business rather than a PO Box from the United States Postal Service, include the box number in the field labeled "PMB no." in the address area.

2. Enter in the payment box of the voucher only the amount of the current payment. When making payments of estimated tax, be sure to take into account any previous year's overpayment to be credited against the current year's tax, but do not include the overpayment amount in the payment amount.

3. If part of the estimated tax is to be allocated to the beneficiaries per IRC Section 643(g), attach a copy of Form 541-T, California Allocation of Estimated Tax Payments to Beneficiaries, to Form 541-ES.

4. Make the check or money order payable to "Franchise Tax Board." Write the FEIN and "Form 541-ES 2003" on the check or money order. Mail the Form 541-ES and the check or money order to:

FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0031

5. Keep a record of the payment.

6. **Fiscal-year filers:** Fill in the month and year-end information at the top of the voucher.

### F Failure to Make Estimated Tax Payments

If the estate or trust is required to make estimated tax payments and does not, or if it underpays any installment, a penalty will be assessed for that portion of estimated tax that was underpaid from the due date of the installment to the date of payment or the due date of the tax return, whichever is earlier. For more information, get 2002 form FTB 5805.

**Note:** For the 2002 taxable year only, no addition to tax will apply with respect to any underpayment of estimated tax to the extent the underpayment of an installment was created or increased by the provisions of law enacted or amended by an act chaptered during the 2002 calendar year. To request a waiver of underpayment of estimated tax penalty, see form FTB 5805, Underpayment of Estimated Tax by Individuals and Fiduciaries.

### G Other Information

**Filing 541-ES on Magnetic Media.** Fiduciaries that make estimated tax payments for more than 200 taxable trusts may submit the estimated tax information on magnetic media or composite listing. For additional information, our general toll-free service is available from within the United States (800) 852-5711 or from outside the United States (916) 845-6500 (not toll-free).

Monday - Friday, 7 a. m. until 8 p. m.

Saturdays, 8 a. m. until 5 p. m. (January through June only)

We may modify these hours without notice to meet operational needs.

**Forms By Internet.** You can download, view, and print California tax forms and publications from our Website at: [www.ftb.ca.gov](http://www.ftb.ca.gov)

**California's Website.** Access other state agencies' websites through the State Agency Index on California's Website at: [www.ca.gov](http://www.ca.gov)

**2003 Estimated Tax Worksheet.** Do not file. Keep this worksheet for your records.

1	Enter the estimated amount of adjusted total income you expect in 2003 .....	1	
2	Enter income distribution deduction .....	2	
3	Taxable income of fiduciary. Subtract line 2 from line 1 .....	3	
4	Tax. Figure the amount by using the 2002 tax rate schedule .....	4	
5	Additional taxes from: form FTB 5870A, Tax on Accumulation Distribution of Trusts; IRC Section 453A tax, relating to certain dispositions under the installment method; and, IRC Section 641(d) tax on income attributable to S corporation stock held by an Elected Small Business Trust (ESBT) .....	5	
6	Total. Add line 4 and line 5 .....	6	
7	Credits. See the instructions for Form 541 for more information about credits you may claim .....	7	
8	Total. Subtract line 7 from line 6 .....	8	
9	<b>a</b> Enter 90% (.90) of Line 8. Farmers and fishermen use 66 2/3% (.6667) of line 8 .....	9a	
	<b>b</b> Enter 100% of the tax shown on your 2002 Form 541, or 110% (1.10) of that amount if the estate's or trust's AGI on the 2002 return is more than \$150,000, and if less than 2/3 of gross income for 2002 or 2003 is from farming or fishing) .....	9b	
	<b>c</b> Enter the smaller of line 9a or line 9b .....	9c	
10	California income tax withheld and estimated to be withheld during 2003 .....	10	
11	Estimated tax. Subtract line 10 from line 9c. If less than \$200, no payment is required .....	11	
12	Divide line 11 by 4. This is the amount of your required installment. Enter the result here and on each Form 541-ES voucher. See the instructions if income will be earned at an uneven rate during the year. If the amount is zero, do not mail this voucher .....	12	

✂ DETACH HERE — — — — — IF NO PAYMENT IS DUE, DO NOT MAIL — — — — — DETACH HERE ✂

TAXABLE YEAR		CALIFORNIA FORM	
<b>2003</b>		<b>541-ES</b>	
<b>Estimated Tax for Fiduciaries</b>		Due Jan. 15, 2004	
Fiscal year filers, enter year ending: month _____ year _____			
Name of estate or trust		FEIN	
Name and title of fiduciary			
Address — number and street including suite number, PO Box, or rural route		PMB no.	
City, town or post office	State	ZIP Code	<b>Payment Voucher 4</b>
If no payment is due, do not mail this form.			
Make your check or money order payable to "Franchise Tax Board." Write the FEIN and "Form 541-ES 2003" on it. Do not combine this payment with payment of your tax due for 2002. Mail this voucher and your check or money order to: 541-ES UNIT, FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0031			Amount of payment
541ES03103		Form 541-ES (REV. 2002)	

TAXABLE YEAR

CALIFORNIA FORM

**2003 Estimated Tax for Fiduciaries**

Due April 15, 2003

**541-ES**

Fiscal year filers, enter year ending: month year

Name of estate or trust

FEIN

Name and title of fiduciary

Address — number and street including suite number, PO Box, or rural route

PMB no.

City, town or post office

State

ZIP Code

**Payment  
Voucher  
1**

If no amount is due, do not mail this form.

Make your check or money order payable to "Franchise Tax Board." Write the FEIN and "Form 541-ES 2003" on it. **Do not combine this payment with payment of your tax due for 2002.** Mail this voucher and your check or money order to: **541-ES UNIT, FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0031**

Amount of payment

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541ES03103

Form 541-ES (REV. 2002)

✂ DETACH HERE — — — — — IF NO PAYMENT IS DUE, DO NOT MAIL — — — — — DETACH HERE ✂

TAXABLE YEAR

CALIFORNIA FORM

**2003 Estimated Tax for Fiduciaries**

Due June 16, 2003

**541-ES**

Fiscal year filers, enter year ending: month year

Name of estate or trust

FEIN

Name and title of fiduciary

Address — number and street including suite number, PO Box, or rural route

PMB no.

City, town or post office

State

ZIP Code

**Payment  
Voucher  
2**

If no amount is due, do not mail this form.

Make your check or money order payable to "Franchise Tax Board." Write the FEIN and "Form 541-ES 2003" on it. **Do not combine this payment with payment of your tax due for 2002.** Mail this voucher and your check or money order to: **541-ES UNIT, FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0031**

Amount of payment

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541ES03103

Form 541-ES (REV. 2002)

✂ DETACH HERE — — — — — IF NO PAYMENT IS DUE, DO NOT MAIL — — — — — DETACH HERE ✂

TAXABLE YEAR

CALIFORNIA FORM

**2003 Estimated Tax for Fiduciaries**

Due Sept. 15, 2003

**541-ES**

Fiscal year filers, enter year ending: month year

Name of estate or trust

FEIN

Name and title of fiduciary

Address — number and street including suite number, PO Box, or rural route

PMB no.

City, town or post office

State

ZIP Code

**Payment  
Voucher  
3**

If no amount is due, do not mail this form.

Make your check or money order payable to "Franchise Tax Board." Write the FEIN and "Form 541-ES 2003" on it. **Do not combine this payment with payment of your tax due for 2002.** Mail this voucher and your check or money order to: **541-ES UNIT, FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0031**

Amount of payment

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Form 541-ES (REV. 2002)